
EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 1-171/81

Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 1-851/80) for a regulation amending Regulation No 79/65/EEC setting up a network for the collection of accountancy data on the income and business operation of agricultural holdings in the European Economic Community

Rapporteur: Mr J. DALSASS

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By letter of 29 January 1981, the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the Treaty establishing the European Economic Community to deliver an opinion to the Council on a proposal from the Commission of the European Communities for a regulation amending Regulation No. 79/65/EEC setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Economic Community.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

On 17 December 1980, Mrs Castle and others tabled a motion for a resolution on the withholding of vital information on agricultural holdings with a request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure.

At the plenary sitting of 18 December 1980, the European Parliament rejected the request for debate by urgent procedure and the motion for a resolution was referred to the Committee on Agriculture as the committee responsible pursuant to Rule 25 of the Rules of Procedure.

On 22 January 1981, the Committee on Agriculture appointed Mr Dalsass rapporteur.

The Committee on Agriculture considered this proposal for a regulation and the motion for a resolution (tabled) by Mrs Castle and others at its meeting of 22 and 23 April 1981. At the same meeting, the committee unanimously adopted the report.

Present: Sir Henry Plumb, chairman; Mr Früh, vice-chairman; Mr Dalsass, rapporteur; Mr Abens (deputizing for Mr Sutra); Mr Barbagli (deputizing for Mr Colleselli); Miss Barbarella, Mrs Castle, Mr Clinton, Mr Costanzo (deputizing for Mr Ligios), Mr De Keersmaeker (deputizing for Mr Bocklet), Mr Diana, Mrs Herklotz, Mr Hord, Mr Jürgens, Mr Kirk, Mr Newton-Dunn (deputizing for Mr Provan), Mr B. Nielsen, Mr d'Ormesson, Miss Quin, Mr Visas (deputizing for Mr Papaefstratiou).

The opinion of the Committee on Budgets is attached to this report.

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The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No. 79/65/EEC setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Economic Community.

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(80) 819 final),
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 1-851/80),
 - having regard to the motion for a resolution tabled by Mrs Castle and others on the withholding of vital information on agricultural holdings (Doc. 1-747/80),
 - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Docs. 1-171/81 and 1-817/80)
1. Emphasizes the importance of the FADN for analysing the business operation and incomes of agricultural holdings in the Community;
 2. Supports the change in the accounting period proposed by the Commission in Article 1 of its proposal;
 3. Welcomes the Commission's proposal that the FADN data for France should also be presented on the basis of the programme regions ('régions de programme') in order to provide a clearer picture of the specific regional characteristics of French agriculture;
 4. Considers that this regional approach should be encouraged and that
 - (a) in the case of Ireland, the FADN results should be presented on a provincial basis, using data which already exist ;
 - (b) in the case of Scotland, a distinction should be made between the highlands and lowlands, so as to illustrate the specific characteristics of agriculture in each of these areas;

5. Is of the opinion that the FADN should provide specific information on the mountain areas and less-favoured regions defined in Directive 75/268/EEC in order to determine the effectiveness of the Community instruments which have been used to further their development;
6. Affirms that it is necessary to create a link between the data collected by the FADN and that collected in the statistical surveys on the structure of agricultural holdings in the Community;
7. Emphasizes the importance, with a view to improving the reliability of the FADN and making better use of the data it supplies, of presenting the structural data collected in the statistical surveys on the basis of the Community typology for agricultural holdings;
8. Considers that further improvements are needed in the collection and processing of the information gathered from farms which belong to the FADN, in order to obtain the most up-to-date picture possible of the trend in farm incomes in the Community; calls for progress to be made in updating this information;
9. Considers that in order to find sufficient undertakings prepared to keep accounts in certain areas, it is necessary to provide appropriate accountancy aid;
10. Takes the view that the activity of the national committees due to be set up could be financed at least in part by the Community;
11. Emphasizes that the setting up in each Member State of a national committee for the information network must lead to a clear definition of the terms of reference of the regional committees, and that the latter should play a part in approving the plans for the selection of returning holdings;
12. Stresses the need for the European Parliament to have access as quickly as possible to the FADN results, particularly those concerning farm incomes; calls on the Commission to cooperate closely with the European Parliament in order to provide it with the information it requires to carry out its studies of the common agricultural policy;
13. Approves, with the above-mentioned reservations, the Commission's proposal.

EXPLANATORY STATEMENT

I. DESCRIPTION OF THE FADN

1. The purpose of the Farm Accountancy Data Network (FADN), created in 1965, is to supply the Community institutions with data on the situation of agricultural holdings with special reference to the level and structure of incomes. These data will form the basis for an analysis of the business operation of agricultural holdings and an analysis of the impact on them and the effectiveness of agricultural policy decisions.
2. The FADN is organized in such a way as to ensure that the data collected is reliable. To this end the FADN now surveys the individual farm accounts of 31 000 holdings providing the main occupation of at least one worker. This figure should be increased to 50 000 to take account of the accession of Greece and to ensure better coverage of the Community territory.
3. The FADN thus relies on the voluntary cooperation of a sample of several thousand agricultural holdings which keep farm accounts, with the aid of farm accountancy offices employed on a contractual basis for this purpose. These holdings are selected by committees set up in each region and made up of representatives of the main sectors and persons concerned (administration, specialist agricultural organizations, accountants, teachers, researchers, statisticians, etc.).
4. At the end of each accounting year, the chosen accountancy office completes the farm returns of each of these holdings. The returns include a great many headings (over 500) which give a statistical description of the factors of production (land, labour, capital), the equipment, the livestock and the debt burden: they also supply data on the various components of production and the farming costs.
5. All the data collected are checked, usually fed into a data base and then forwarded to the Commission in Brussels. The accounting data are finally checked at Community level for their consistency and probability and then analysed.
6. The Community and the Member States participate in financing the operation of the FADN. In principle the accountancy costs are borne by the Member States and the Commission refunds the costs of completing the returns to the Member States each year on a flat rate basis.

7. Thus the FADN has a specific organization at each geographical level. At regional level (50 divisions for the nine Member States) there are two kinds of organization, the regional committees responsible for selecting the agricultural holdings and the accountancy offices responsible for collecting the data. At Community level, the Commission centralizes, checks, processes and analyses the information with the assistance of the Community Committee (management committee). The FADN also has a national liaison agency in each country which acts as the link between the regional and Community committees.
8. The Commission considers that some Community regions are not adequately covered by the FADN and that the number of farm returns for these regions must therefore be increased by means of the common measure provided for in Article 11 of Directive 72/159/EEC.

II. THE COMMISSION PROPOSALS

9. With a view to making the FADN results more reliable and comparable the Commission proposes:
 - (a) to synchronize as soon as possible the accounting year which at present begins on different dates during the first six months of the year:
 - (b) to harmonize the methods of calculating certain accountancy data more closely.
10. To speed up publication of FADN results, the Commission proposes that:
 - (a) checking and correction of accountancy data be done by the Member States, using a common programme:
 - (b) the Member States forward the accountancy data as soon as they are available, even if they are incomplete or only provisional:
 - (c) the national networks and the FADN be interlinked in an appropriate manner.
11. To improve the significance of the FADN results, the Commission has decided to use only weighted and updated results in future. A study is currently being made with the aim of finding better methods for the joint interpretation of FADN results and the EUROSTAT figures on agricultural accounts.
12. The Commission intends that the Community Committee for the FADN should be fully involved in the analysis of the results and in particular in the assessment of the incomes situation.

It also considers that the regional committees provided for in Article 5 of the basis Regulation are not necessary in all Member States: it proposes that they be made optional and that a national committee be set up in each Member State to select the returning holdings.

III. CONCLUSIONS

13. The Committee on Agriculture endorses the Commission proposal with the reservation that it is not in favour of the gradual disappearance of regional committees which might result from this proposal. It would be preferable for the returning holdings to be selected on a decentralized, regional basis. The national committees could then serve as a useful link between the regional committees and the Community committee.
14. The Committee on Agriculture is in favour of the 10 current French divisions being replaced by the 22 divisions corresponding to the programme regions. This change takes account of the specific agricultural characteristics of each French region.
15. In the same context, the Committee on Agriculture asks that in the case of Ireland the FADN data collected should be presented on a provincial basis and that in the case of Scotland a distinction should be made between the highlands and the lowlands to illustrate the specific characteristics of agriculture in each of these areas more clearly and make it easier to assess the impact of the Community policies on the regions concerned.

The same distinction should be made, when presenting the results, between mountain areas and less-favoured regions.

16. It would be useful to present the FADN data on the basis of the Community typology for agricultural holdings; this would create a link between the FADN and the statistical survey on the structure of agricultural holdings so that these two sources of information can be used together and complement each other.

The Community typology sets up categories of holdings with highly comparable basic characteristics and economic behaviour to ensure that their main average technical and economic data are sufficiently meaningful. The economic management of a holding is largely a function of the nature of its production (type of farming), its structure (economic size) and its geographical location (region).

On the basis of the Community typology, Community holdings are therefore classified by type of farming (composition of the total standard

gross margin) and economic size (level of the total standard gross margin). To avoid giving this concept of size too specific a monetary sense, a European Size Unit (ESU) has been created; this concept is also used in the FADN.

17. Presenting the FADN data according to the Community typology for agricultural holdings enables those responsible to assess the impact of the decisions taken within the framework of the CAP (prices, changes to organizations of the market, structural measures) on a particular type of holding in the various regions of the Community.
18. Lastly, the Committee on Agriculture stresses the need for the Community institutions and in particular the European Parliament to have access to the Community's sources of statistical information to enable them to formulate proposals or deliver opinions on the proposals concerning the common agricultural policy in full knowledge of the facts.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the chairman of the committee to Sir Henry Plumb,
chairman of the Committee on Agriculture

Luxembourg,

Subject: Proposal from the Commission to the Council for a
Regulation amending Regulation No. 79/65/EEC setting
up a network for the collection of accountancy data
on the income and business operation of agricultural
holdings in the EEC (Doc. C-1-851/80)

Dear Mr Chairman,

The Committee on Budgets considered the abovementioned proposal
from the Commission for a regulation at its meeting of 24 April 1981.

The proposal is accompanied by a financial statement showing the
likely financial implications for the coming financial year and also
for subsequent financial years. The Commission estimates
1,030,400 EUA for 1982 and 1,128,000 EUA in subsequent years. These
figures are, of course, only intended as a guide.

The Committee on Budgets has made note of the pledge given in the
Commission document that the information collected from the Farm
Accountancy Data Network (FADN) will also be made available to the
Parliament via data banks as soon as possible. In this connection,
the Committee on Budgets calls on the Commission to clarify what
practical effect the data will have on the planning and implementation
of measures decided under the Common Agricultural Policy.

Lastly, the Committee on Budgets confirms its earlier reservations on
the Council's right of appeal through the Community Committee referred
to in the basic Regulation, since this remains unchanged in the proposal
for a regulation. This procedure is contrary to the position adopted
by the European Parliament, whereby the role of management committees
is purely consultative.

Subject to these observations and comments, the Committee on Budgets
gave a favourable opinion on the proposal from the Commission for
improvements in the organization and operation of the Farm Accountancy
Data Network.

Yours sincerely,

Erwin Lange

Present: Mr Lange, chairman; Mr Notenboom, vice-chairman; Mr Adonnino,
Mr Arndt, Mr Balfour, Mr Bonde, Mr Forth, Mr Georgiadis, Mr Gouthier,
Mr Jackson, Mr Langes, Mr Newton-Dunn, Mr Schön.

MOTION FOR A RESOLUTION (DOCUMENT 1-747/80)

tabled by Mrs CASTLE, Mr SUTRA, Miss QUIN, Mr WOLTJER, Mr CABORN, Mr ROGERS, Mr FERRI, Mr KAVANAGH, Mr von der VRING, Mrs VIEHOFF, Mrs WEBER, Mr JAQUET, Mrs CRESSEN, Mrs CHARZAT, Mrs HERKLOTZ, Mr ENRIGHT, Mr GATTO, Mr PULETTI, Mr RUFFOLO, Mr DIDO and Mr LEZZI

with request for urgent debate
pursuant to Rule 14 of the Rules of Procedure

on the withholding of vital information on agricultural holdings

The European Parliament,

- having regard to the current discussions on reform of the Common Agricultural Policy,
 - having regard to the necessity of basing discussion on complete information on the number of farms, their type of activity, their size, income and costs, without however delaying the discussion,
 - whereas the Community has adopted a typology of agricultural holdings laying down Community definitions of type of farm and economic size,
 - whereas the necessary information for obtaining Community, national, and regional results using the typology was collected in the 1975 Farm Structures Survey,
 - whereas the necessary data collection and treatment has still not been completed,
1. Insists upon the urgent necessity of completing the necessary processing and upon the information derived from the forwarding of results to the European Parliament;
 2. Insists upon the necessity of updating this information with results based on the 1977 and 1979 Farm Structures Surveys;
 3. Instructs its President to forward this resolution to the Commission.

Justification

Current discussions within the Committee on Agriculture on the reform of the Common Agricultural Policy prior to the next farm price review.

